

Campina Grande, May 07, 2012 - The Management of Energisa Borborema - Distribuidora de Energia S/A ("Energisa Borborema" or "Company"), responsible for distributing electricity in six municipalities in Paraíba state (Campina Grande, Lagoa Seca, Queimadas, Fagundes, Massaranduba and Boa Vista) hereby presents its quarterly information for the first quarter of 2012 (1Q12), prepared in accordance with International Financial Reporting Standards - IFRS.

1 - Headlines

The Company's main economic and financial figures have been summarized below:

Description	1Q12	1Q11	Change %
Results - R\$ million			
Gross Operating Revenue	60.4	50.8	+ 18.9
Net Operating Revenue	41.4	33.9	+ 22.1
Earnings before interest and tax (EBIT)	6.0	3.1	+ 93.5
Net Financial Income	1.1	(0.2)	-
Net Income	4.7	3.1	+ 51.6
EBITDA	7.1	4.3	+ 65.1
Adjusted EBTIDA	7.7	4.7	+ 63.8
Financial Indicators - R\$ million			
Total Assets	164.9	146.4	+ 12.6
Cash / Cash Equivalents / Short-Term Investments	17.7	16.4	+ 7.9
Shareholders' Equity	93.0	83.2	+ 11.8
Net Debt	18.1	16.8	+ 13.7
Operating Indicators			
Number of Captive Consumers	174,434	167,662	+ 4.0
Energy sold to Captive Consumers (GWh)	157.2	146.9	+ 7.0
Total Electricity Distributed (GWh)	160.8	154.6	+ 4.0
Energy Losses (% in past 12 months)	7.62	7.99	- 0.37 p.p
Relative Indicators			
Adjusted EBITDA / Net Revenue (%)	18.6	13.9	+ 4.7 p.p
Net Debt / Adjusted EBITDA for 12 months (times)	0.6	0.9	- 33.3

Results for the 1st quarter of 2012

2 - Electricity Sales

2.1 - Energy sales and consumers

Energisa Borborema's retail electricity sales (157.2 GWh) rose by 7.0% over the same quarter last year. All consumption classes reported growth, especially commercial consumption, which expanded by 10.7% in the period. Industrial consumption rose by 7.0%.

Energisa Borborema closed 1Q12 with 174,434 captive consumer units, or 4.0% more than at the end of 1Q11.

Electricity Sales by Segment - GWh

Description	Quarter		
	1Q12	1Q11	Change %
a) Energy Sales in the Retail Market	157.2	146.9	+ 7.0
• Residential	49.3	46.8	+ 5.3
• Industrial	53.7	50.2	+ 7.0
• Commercial	33.0	29.8	+ 10.7
• Rural	5.6	5.3	+ 5.7
• Other sectors	15.6	14.8	+ 5.4
b) Electricity Sales to Distributors	3.3	6.3	- 47.6
c) Net Unbilled Sales	0.3	1.4	- 78.6
d) Total Electricity Distributed (a+b+c)	160.8	154.6	+ 4.0

2.2 - Energy losses

Energisa Borborema's energy losses were recorded at 7.62% in the past twelve months ended March 2012, a decrease of 0.37 percentage points over the same period ended March 2011.

3 - Financial Performance

3.1 - Gross Operating Revenue

Energisa Borborema's gross operating revenue amounted to R\$ 60.4 million in 1Q12, compared with R\$ 50.8 million in the same period last year, an increase of 18.9% (or R\$ 9.6 million). Net revenue stood at R\$ 41.4 million in the same period, an increase of 22.1% (or R\$ 7.5 million) over the same comparison basis.

3.2 - Annual rate adjustment: Energisa Borborema's electricity rates were increased by an average 8.93% on February 07, 2012.

3.3 - Operating Expenses

3.3.1 - Operating expenses in distribution, generation and services

Energisa Borborema's operating expenses in distribution, generation and services amounted to R\$ 29.6 million in 1Q12, an increase of 11.3% (or R\$ 3.0 million) over the amount recorded in 1Q11.

3.3.1.1 - Controllable expenses in distribution, generation and services

The controllable expenses (personnel, material and outsourced services) in distribution, generation and services rose by 8.5% (or R\$ 0.5 million) in 1Q12, to R\$ 6.4 million.

2.3.2 - Construction costs

Following the adoption of international accounting standards (IFRS), Energisa Borborema is now recognizing revenue and costs deriving from the construction of infrastructure used in public energy concessions, attributing a margin of zero to this activity. Construction costs amounted to R\$ 5.8 million in 1Q12, compared with R\$ 4.2 million in 1Q11.

2.3.3 - Total operating expenses

Energisa Borborema's operating expenses amounted to R\$ 35.4 million in 1Q12, an increase of 14.9% (or R\$ 4.6 million) over 1Q11.

Operating expenses break down as follows:

Breakdown of operating expenses (R\$ million)	1Q12	1Q11	Change in R\$ million
1 - Controllable expenses	6.4	5.9	+ 0.5
1.1 - Personnel	3.1	3.0	+ 0.1
1.2 - Material	0.3	0.4	- 0.1
1.3 - Services	3.0	2.5	+ 0.5
2 - Uncontrollable expenses (acquisition of energy and transmission)	21.2	18.9	+ 2.3
3 - Depreciation and amortization	1.1	1.2	- 0.1
4 - Allowance for doubtful accounts and contingencies	0.4	0.2	+ 0.2
5 - Other expenses	0.5	0.4	+ 0.1
Subtotal (1+2+3+4+5)	29.6	26.6	+ 3.0
6 - Construction cost	5.8	4.2	+ 1.6
Total	35.4	30.8	+ 4.6

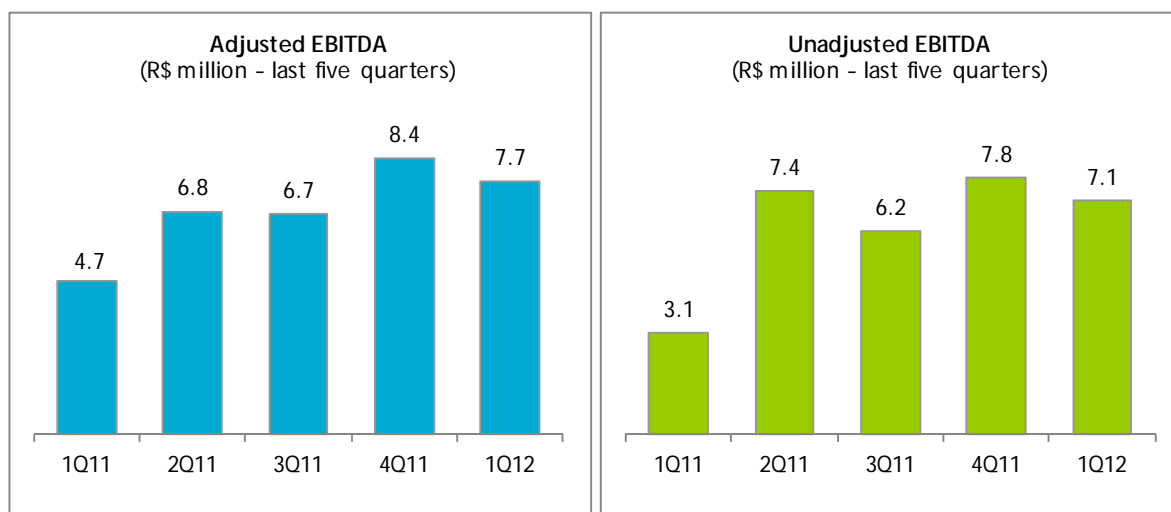
3.4 - Operating cash generation (EBITDA)

Earnings before interest and tax (EBIT) and operating cash generation (EBITDA) were as follows in the quarter:

EBITDA and Adjusted EBITDA - R\$ million -

Description	Quarter		
	1Q12	1Q11	Change %
(=) Earnings before interest and tax (EBIT)	6.0	3.1	+ 93.5
(+) Depreciation and amortization	1.1	1.2	- 8.3
(=) EBITDA	7.1	4.3	+ 65.1
(+) Arrears surcharge revenue	0.6	0.4	+ 50.0
(=) Adjusted EBITDA in the period	7.7	4.7	+ 63.8
Adjusted EBITDA Margin (%)	18.6	13.9	+ 4.7 p.p

The flow of EBITDA and adjusted EBITDA in the past five quarters can be demonstrated as follows:



3.5 - Financial Income/Loss

The financial income (financial revenue minus financial expenses) amounted to net financial expense of R\$ 1.1 million in 1Q12, as compared to a net financial expense of R\$ 0.2 million in the same period of the previous year.

Energisa Borborema closed the quarter ended March 31, 2012 with a net debt of R\$ 19.1 million, compared with R\$ 16.5 million at the end of 2011. The table below denotes the Company's short- and long-term debt and net debt:

Description	3/31/2012	12/31/2011
Amount in R\$ million		
Short Term (CP)	7.5	8.9
. Loans and financing	7.2	8.6
. Debt charges and financing of taxes	0.3	0.3
Long Term (LP)	28.3	21.6
. Loans and financing	28.3	21.6
Total debt (CP + LP)	35.8	30.5
(-) Cash and cash equivalents	17.7	14.0
Total net debts	18.1	16.5

3.6 - Net Income: growth of 51.6%

In the first quarter of 2012 Energisa Borborema recorded net income of R\$ 4.7 million, an increase of 51.6% over 1Q11.

This net income growth is partly due to the increase of 22.1% (or R\$ 7.5 million) in gross operating revenue in the quarter, along with smaller relative growth in operating expenses, which boosted operating cash generation (EBITDA). Operating expenses rose by R\$ 4.5 million in the quarter.

The net income in the quarter breaks down as follows:

Breakdown of the net income (R\$ million)	1Q12	1Q11	Change %
Net operating revenue	41.3	33.9	+21.8
Earnings before interest and tax	6.0	3.1	+ 93.5
Operating cash generation (EBITDA)	7.1	4.3	+ 65.1
Financial income	1.1	(0.2)	-
Income and social contribution taxes	(2.4)	0.2	-
Net Income	4.7	3.1	+ 51.6

4 - Investment

In the first quarter of 2012 Energisa Borborema invested R\$ 6.7 million to fully meet the demand resulting from the growth of its market and to improve the quality of services provided. This amount is an increase of 67.5% over 1Q11, when R\$ 4.0 million was invested.

Management.

Financial Statements

1. Balance Sheet - Assets

Energisa Borborema		
Balance Sheets		
March 31, 2012 and December 31, 2011		
(In thousands of reais)		
	<u>3/31/2012</u>	<u>12/31/2011</u>
Assets		
Current		
Cash and cash equivalents	12,430	8,699
Money market and secured funds	3,604	3,639
Consumers and concessionaires	24,760	23,290
Credit receivables	2,169	2,213
Inventory	615	621
Recoverable taxes	6,732	7,954
Prepaid expenses	548	455
Low income and other receivables	4,294	3,125
Total current	<u>55,152</u>	<u>49,996</u>
Noncurrent		
Noncurrent assets		
Money market and secured funds	1,706	1,692
Credit receivables	3,521	3,547
Recoverable taxes	21,259	21,135
Tax credits	2,118	4,063
Escrow and secured deposits	5,420	5,487
Derivative financial instruments	45	-
Accounts receivable from the concession	6,245	5,556
	<u>40,314</u>	<u>41,480</u>
Investments	81	84
Intangible assets	69,349	64,492
Total noncurrent	<u>109,744</u>	<u>106,056</u>
Total Assets	<u>164,896</u>	<u>156,052</u>

See the accompanying notes to the financial statements.

2. Balance Sheet - Liabilities

Energisa Borborema		
Balance Sheets		
March 31, 2012 and December 31, 2011		
(In thousands of reais)		
	3/31/2012	12/31/2011
Liabilities		
Current		
Suppliers payable	11,495	11,677
Debt charges	248	229
Loans and financing	7,249	8,646
Payroll	192	193
Taxes and social contributions	8,088	8,637
Dividends	3,487	3,487
Consumer charges payable	1,102	1,050
Estimated obligations	932	899
Public lighting fee received	709	672
Other accounts payable	5,603	5,194
Total current	39,105	40,684
Noncurrent		
Noncurrent liabilities		
Suppliers payable	361	361
Loans and financing	28,291	21,596
Taxes and social contributions	430	153
Deferred income and social contribution taxes	770	865
Derivative financial instruments	40	-
Provisions for contingencies	2,944	2,910
Total noncurrent	32,836	25,885
Shareholders' equity		
Capital	52,239	52,239
Treasury stock	(50)	(50)
Capital reserves	24,148	24,148
Profit reserves	16,618	9,426
Additional dividends proposed	-	3,720
	92,955	89,483
Total Liabilities	164,896	156,052

See the accompanying notes to the financial statements.

3. Statements of Income

Energisa Borborema Statements of Income Three months ended March 31, 2012 and 2011 (In thousands of reais)		
	1Q2012	1Q2011
Revenues		
Electricity Sales to Consumers	54,258	46,289
Construction revenue	5,786	4,163
Other operating revenue	340	339
	<u>60,384</u>	<u>50,791</u>
Deductions from operating revenue		
ICMS on billing	10,980	9,480
PIS, Cofins and ISS	5,069	4,485
Others (CCC, CDE, PEE and P&D)	2,942	2,892
	<u>18,991</u>	<u>16,857</u>
Net operating revenue	<u>41,393</u>	<u>33,934</u>
Operating expenses		
Electricity purchased	17,537	16,377
System service charges	3,676	2,501
Personnel	3,092	2,960
Private pension fund	17	27
Material	290	358
Outsourced services	2,994	2,484
Depreciation and amortization	1,056	1,170
Allowance for possible loan losses / contingencies	400	235
Construction cost	5,786	4,163
Other revenue/expenses	520	560
	<u>35,368</u>	<u>30,835</u>
Earnings before interest and tax	<u>6,025</u>	<u>3,099</u>
Financial income		
Revenue on short-term investments	398	534
Arrears charge on power sales	586	453
Debt charges - Interest	(691)	(785)
Debt charges - monetary and exchange variance	(48)	-
Adjustment to present value	246	(275)
Mark-to-market of derivatives	45	-
Derivative financial instruments	(40)	-
(-) Transfers to work in progress	220	102
Other financial income (expenses)	353	(193)
	<u>1,069</u>	<u>(164)</u>
Net income before tax	<u>7,094</u>	<u>2,935</u>
Income and social contribution taxes	(2,381)	183
Net income for the period	<u>4,713</u>	<u>3,118</u>

See the accompanying notes to the financial statements.

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